

## Calculation of Adjusted Profit

### ■ Domestic P&C insurance:

Net income + provisions for catastrophe loss reserve (after tax) + provisions for price fluctuation reserve (after tax) – gains/losses on securities sales and securities devaluation losses (after tax) – extraordinary items

### ■ Domestic life insurance (subsidiaries):

Growth in embedded value (EV) – capital account transactions (e.g., equity issuance) – changes in EV attributable to interest rate movements

### ■ Overseas, financial and other services:

Net income as reported in financial statements

$$\text{Adjusted consolidated ROE} = \frac{\text{Adjusted consolidated profit}}{\text{Consolidated net assets (excluding life insurance subsidiaries' net assets) + catastrophe loss reserve (after tax) + price fluctuation reserve (after tax) + life insurance subsidiaries' EV}}$$

Note: The denominator is the average balance at the end/start of each fiscal year.